

UBS (Lux) SICAV 2 – Money Market EUR

Investment company under Luxembourg law ("Société d'Investissement à Capital Variable")
Established in accordance with Part II of the Fund Act of 20 December 2002

February 2008

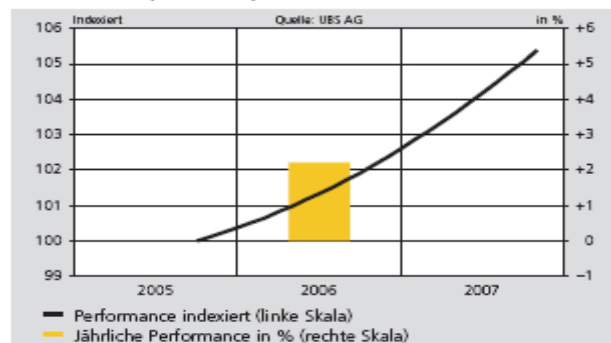
Simplified Prospectus of the Subfund UBS (Lux) Sicav 2 – Money Market EUR

This simplified prospectus contains key information on the UBS (Lux) SICAV 2 – Money Market EUR (the "Subfund"), a subfund of the UBS (Lux) SICAV 2 (the "Company"), which offers the investor various subfunds (in an "umbrella construction"). If you require further information before investing, please consult the full sales prospectus and annual reports of UBS (Lux) SICAV 2 which are available free of charge from the Company, the Administrative Agent (see "Contacts") and all sales agencies. It also provides information on the rights and obligations of investors. Detailed information on Subfund investments can be found in the latest annual or semi-annual report.

Investment objective	The main objective of the Company is to achieve growth and/or a regular income, giving due consideration to capital security and to the liquidity of the Company's assets.
Investment policy	<p>Within the framework of the general investment policy, the Subfunds invests at least two-thirds of its assets in money-market instruments, bonds, notes and other fixed- or variable-interest rate secured and unsecured investments which are denominated in the currency of the Subfund. The Subfund's assets can also be invested in treasury bills, other debt securities and instruments and in sight, term and time deposits of banks.</p> <p>The residual maturity of each investment within the two-thirds limit described above may not exceed three years.</p> <p>The Subfund is prohibited from investing in convertible bonds, convertible notes, warrant bonds, equities, equity stocks and rights (participation warrants), and from acquiring shares in the Fund.</p> <p>As part of efficient asset management, the Subfund may invest in all derivative financial instruments listed in the section of the full sales prospectus entitled "Special techniques and instruments underlying securities and money-market instruments" subject to the guidelines set forth therein. The permitted underlying instruments comprise in particular those listed in point 1.1 g).</p> <p>The currency of account of the Subfund is the EUR. The currency of consolidation for the UBS (Lux) Sicav 2 is the EUR.</p>
Risk profile	Based on their specific investment policy, money-market funds offer higher security and less volatile performance compared with other investments. Fund units can be subscribed and redeemed on a daily basis and therefore constitute a liquid asset. However, even in the case of money-market funds it cannot be guaranteed that the investor will recover the capital invested.
Portfolio turnover	Portfolio turnover amounted to -16.36% as at 31 October 2007.

Performance

Performance (Basis EUR)



in %	2003	2004	2005	2006	2007 YTD	2 Jahre	Ø p.a. 2 Jahre
EUR	—	—	—	2,2	2,7	5,3	2,6
CHF	—	—	—	5,9	7,0	14,2	6,8
USD	—	—	—	14,3	12,7	27,2	12,8
BM ¹	—	—	—	2,9	3,4	6,7	3,3

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	As at: end of October 2007
Note	This graph shows past performance in EUR. Past performance is no guarantee of future trends. The value of an investment can go up or down, and it is possible that investors may subsequently not recoup the sums they have invested.
Profile of the typical investor	The Subfund is suitable for investors who wish to invest in a broadly diversified portfolio in EUR comprising first-class money-market instruments and securities with short residual maturities or variable yields and high liquidity.
Distribution policy	Class “B” units do not entitle the holder to dividends. The income from these units is automatically reinvested. The general meeting of shareholders may however decide, at the proposal of the Board of Directors and after the closing of the annual accounts, whether and to what extent distributions are to be paid out.
Expenses paid by the Subfund	<p>Annual expenses paid by the Subfund:</p> <p>Flat fee (*), share class “B” : 0.72% p.a.</p> <p>“Taxe d’abonnement” in Luxembourg: 0.01% p.a.</p> <p>Total expense ratio (TER): 0.73% p.a.</p> <p>The transaction costs and the costs of currency hedging are not included in the TER. (*) The Subfund will be charged a monthly flat fee of no more than 0.06% based on the average net asset value of the Subfund. This flat fee is used for paying the Custodian Bank, the Administrative Agent, the Company, the Portfolio Management and the Distributors. It also covers all the costs incurred by the Fund and the Subfunds with the exception of those specified in the full sales prospectus. Should costs be incurred for extraordinary measures taken in the interest of shareholders, those will be reflected in the TER.</p>
Tax	<p>The Company is subject to Luxembourg legislation. In accordance with current legislation in the Grand Duchy of Luxembourg, the Company is not subject to any Luxembourg withholding, income, capital gains or wealth taxes.</p> <p>However, the UBS (Lux) Sicav 2 – Money Market EUR Subfund is subject to the Grand Duchy of Luxembourg’s “taxe d’abonnement” of 0.01% p.a., which is payable at the end of every quarter. This tax is calculated on the total net assets of each Subfund at the end of every quarter.</p> <p>Shareholders should be aware that the Luxembourg Law of 21 June 2005 has transposed EU Council Directive 2003/48/EC dated 3 June 2003 concerning the taxation of interest. Since 1 July 2005, this Law has provided for the imposition of a withholding tax on cross-border interest payments to individuals domiciled in the EU or alternatively an automatic exchange of information. Where necessary, the sales agency or Distributor may, upon subscription, ask investors to give their tax identification number provided to the investor by the state in which he/she is domiciled for tax purposes. It includes distributions and dividends payable by investment funds which invest more than 15%, and earnings from the assignment or repayment of shares in investment funds which invest more than 40% (from 1 January 2011: 25%) in debt instruments and claims as defined by the EU taxation of interest.</p> <p>The tax values provided are based on the most up-to-date information available at the time of their calculation. Provided the Subfund in question is not subject to EU taxation of interest or the investor is not affected by it, under current tax law shareholders are not required to pay any income, gift, inheritance or other tax in Luxembourg unless they are domiciled there, have a permanent residence or business establishment there, or were previously domiciled there and hold more than 10% of the Company's share capital.</p> <p>The aforementioned represents a summary of the fiscal effects and makes no claim to be exhaustive. It is incumbent upon the purchasers of shares to seek information on the laws and regulations governing the purchase, possession and possible sale of shares at their place of residence and for people of their nationality.</p>

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Daily price publication	Publications appear in the most important international business media as well as Reuters and at www.ubs.com (⇒ Fund Gate).
Procedures for the acquisition and redemption of shares	<p>Subscriptions and redemptions in respect of shares of the Subfund are accepted on the basis of the net asset value at the Administrative Agent, the Custodian Bank or the Company as well as any other Distributor. Subscription and redemption applications entered with the Administrative Agent or the central settling agent of UBS Investment Bank in Switzerland – a unit of UBS AG – no later than by 16.00 CET (cut-off time) on a business day (order date) will be processed on the following business day on the basis of the net asset value calculated for that day (valuation date). In the case of subscriptions or redemptions registered with the Administrative Agent or the central processing facility of UBS Investment Bank in Switzerland – part of UBS AG – after 16.00 (Central European Time) on a business day, the order date is considered to be the following business day. To secure punctual forwarding to the Administrative Agent or the central settling agent of UBS Investment Bank in Switzerland, earlier cut-off times may apply for submission of applications placed with sales agencies in Luxembourg or abroad. Information may be obtained from the sales agency concerned. This means that the net asset value for settlement purposes is not known when the order is placed (forward pricing). It will be calculated on the valuation date on the basis of closing prices or if such do not reflect reasonable market value in the opinion of the Company, at the last prices available at the time of valuation.</p> <p>The foregoing also applies to the conversion of shares of the Subfund into shares of a different Subfund of UBS (Lux) SICAV 2 performed on the basis of the net asset values of the Subfunds concerned.</p> <p>Costs incurred by investors in connection with the purchase, sale and conversion of shares of the Subfund:</p> <ul style="list-style-type: none">• Sales charge: max. 6%• Redemption fee: max. 2%• Commission on conversion within the same umbrella: max. 3%

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Additional key information	Legal form:	UBS (Lux) SICAV 2 – Money Market EUR is a subfund of UBS (Lux) SICAV 2, a “Société d’Investissement à Capital Variable” established in accordance with Part II of the Luxembourg Law dated 20 December 2002.
	Company:	UBS (Lux) SICAV 2
	Promoter:	UBS AG, Basel and Zürich
	Portfolio Manager:	UBS AG, UBS Global Asset Management, Basel and Zürich
	Supervisory authority:	Commission de Surveillance du Secteur Financier
	Custodian Bank:	UBS (Luxembourg) S.A., Luxembourg
	Auditor:	PricewaterhouseCoopers S.à.r.l., B.P. 1443, L-1014 Luxembourg
	Issue price share class “B”:	EUR 100
	Launch date of UBS (Lux) Sicav 2 – Money Market EUR:	7 September 2005
	Foundation of UBS (Lux) Sicav 2:	15 July 2005
	Net assets of the Subfund:	EUR 1,889.30 million as at 31 October 2007
	Securities number:	Share class “B” 2212358
	ISIN number:	Share class “B” LU0224521939
Contacts	Luxembourg:	UBS Fund Services (Luxembourg) S.A., Luxembourg
	Representatives in Switzerland:	UBS Fund Management (Switzerland) AG, Basel
Further information	For further information, please contact:	
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